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Attorneys for Secured Creditor ARCHWAY
REAL ESTATE INCOME FUND I SPE I, LLC

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION

In re
SEATON INVESTMENTS, LLC, *et al.*,

Debtors and Debtors-in-
Possession.

Lead Case No. 2:24-bk-12079-VZ

Jointly Administered with Case Nos.:

2:24-bk-12080-VZ; 2:24-bk-12081-VZ;
2:24-bk-12082-VZ; 2:24-bk-12091-VZ;
2:24-bk-12074-VZ; 2:24-bk-12075-VZ; and
2:24-bk-12076-VZ

Affects:

Chapter 11

- ☐ All Debtors
☐ Seaton Investments, LLC
☐ Colyton Investments, LLC
☐ Broadway Avenue Investments, LLC
☒ SLA Investments, LLC
☒ Negev Investments, LLC
☒ Alan Gomperts
☒ Daniel Halevy
☒ Susan Halevy

**DECLARATION OF MICHAEL GERARD
FLETCHER IN SUPPORT OF
OBJECTION BY ARCHWAY REAL
ESTATE INCOME FUND I SPE I, LLC
TO MOTION BY AFFECTED DEBTORS
FOR ENTRY OF AN ORDER
AUTHORIZING USE OF CASH
COLLATERAL PURSUANT TO
11 U.S.C. § 363(c)(2)**

Date: June 20, 2024
Time: 11:00 a.m.
Crtrm.: 1368
255 E. Temple Street
Los Angeles, CA 90012

Hon. Vincent P. Zurzolo

FRANDZEL ROBINS BLOOM & CSATO, L.C.
1000 WILSHIRE BOULEVARD, NINETEENTH FLOOR
LOS ANGELES, CALIFORNIA 90017-2427
(323) 852-1000

1 I, Michael Gerard Fletcher, declare:

2 1. I am a shareholder of Frandzel Robins Bloom & Csato, L.C., counsel of record for
3 secured creditor, Archway Real Estate Income Fund I SPE I, LLC, a Delaware limited liability
4 company ("Archway").

5 2. If called as a witness, I could and would competently testify to all facts within my
6 personal knowledge, except where stated upon information and belief.

7 3. This declaration is submitted in support of Archway's Objection ("Objection")
8 (Dkt. pending) to the *Motion by Affected Debtors for Entry of an Order Authorizing Use of Cash*
9 *Collateral Pursuant to 11 U.S.C. § 363(c)(2)* (Dkt. 87) filed by Seaton Investments, LLC
10 ("Seaton"), Colyton Investments, LLC ("Colyton"), Broadway Avenue Investments, LLC
11 ("Broadway"), SLA Investments, LLC ("SLA"), and Negev Investments, LLC ("Negev" and
12 collectively with Seaton, Colyton, Broadway and SLA, the "Corporate Debtors") and Alan
13 Gomperts ("Alan"), Daniel Halevy ("Daniel"), and Susan Halevy ("Susan" and collectively with
14 Alan and Daniel, the "Individual Debtors" and collectively with the Corporate Debtors, the
15 "Debtors").

16 4. On May 9, 2024, my office sent a letter to the Debtors' respective counsel,
17 requesting sequestration of the rents, issues, and profits generated from the Properties (as defined
18 in the Objection). A true and correct copy of that letter is attached hereto as **Exhibit 11**.

19 5. To date, I have not received the requested accounting, and my understanding is that
20 no such accounting has been provided.

21 I declare under penalty of perjury under the laws of the United States of America that the
22 foregoing is true and correct and that this Declaration was executed on this 14th day of June, 2024,
23 at Los Angeles, California.

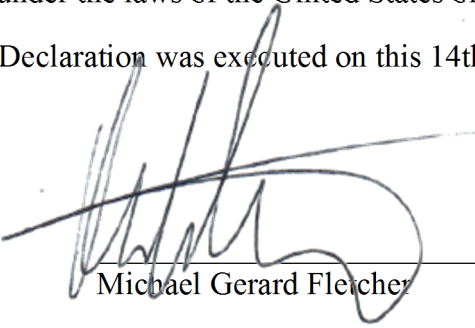
24
25 
26 Michael Gerard Fletcher
27
28

Exhibit 11

FRANDZEL

May 9, 2024

VIA E-MAIL

Derrick Talerico
Weintraub Zolkin Talerico & Selth LLP
dtalerico@wztslaw.com

Zev Shechtman
Saul Ewing LLP
Zev.Shechtman@saull.com

Re: *In re Seaton Investments, LLC*, Case No. 2:24-bk-12079-VZ (Lead Case)

Dear Messrs. Talerico and Shechtman:

As you know, we represent Archway Real Estate Income Fund I SPE I, LLC (“Lender”), a creditor in the above referenced jointly administered chapter 11 bankruptcy cases. More specifically, Lender extended credit to Broadway Avenue Investments, LLC, Negev Investments LLC, SLA Investments, LLC, Alan Gomperts, Susan Halevy, and Daniel Halevy, secured by, among other things, the real property located at 737 S. Broadway, Los Angeles, California; 12800 Foxdale Drive, Desert Hot Springs, California; 1040 S. Los Angeles Street, Los Angeles, California; 3538 Greenfield Avenue, Los Angeles, California; 133 S. Palm Drive, Beverly Hills, California; and 8561 Horner Street, Los Angeles, California.

Lender holds perfected security interests against the respective debtors’ right, title, and interest to, among other things, rents, issues, and profits generated by these real properties (collectively, “Collateral”).

Please take notice that Lender does not consent to the use of any of its Collateral, including cash collateral, as that term is defined in 11 U.S.C. § 363(a) and in applicable case law. Lender demands that Debtor sequester all cash collateral in its possession, or in the possession of the debtors’ agents, attorneys, employees, and/or those acting on their behalf or in concert with them, as of the bankruptcy petition date, and all that comes into their possession thereafter. Lender further demands that the debtors account to Lender for all proceeds of such cash collateral in their possession as of the petition date and thereafter.

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Messrs. Talerico and Shechtman
May 9, 2024
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Such accountings and demands include, but are not limited to, any money paid to insiders and to any legal counsel as a retainer by the debtors at any time from any Collateral source.

In addition, Lender has previously requested a copy of the Seven Day Information Packet each of the debtors has prepared for the Office of the United States Trustee, but we have not received any of those. Also, we have also requested proof of insurance on the Broadway Property, which we have been told will be provided to us today or tomorrow.

Please produce all such documents and proof of insurance to us immediately.

Very truly yours,

FRANDZEL ROBINS BLOOM & CSATO, L.C.

A handwritten signature in black ink, appearing to read 'Michael Fletcher', with a stylized flourish at the end.

MICHAEL GERARD FLETCHER
mfletcher@frandzel.com

MJG